## GUAM CONSUMER PRICE INDEX

Cost of Living Section

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# Bureau of Statistics and Plans Business and Economic Statistics Program Government of Guam

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#### **DEFINITION OF THE CONSUMER PRICE INDEX**

The CONSUMER PRICE INDEX (CPI) is a measure of the average change in prices over time of goods and services purchased by households, both families and single person living alone. The Guam 2008 CPI is based on the concept of a representative "market basket", a sample of all goods and services that consumers purchase, as determined by the 2005 Household Income and Expenditure Survey (HIES) funded by the U.S. Dept. of Interior to the U.S. Census Bureau, and a similar in design with the U.S. CPI.

The CPI is measured from a total of 168 items from 8 major groups, and indices are computed at two different levels of aggregation. More than 1,060 price quotations are collected during the middle month of each quarter either by phone or on-site survey by qualified price enumerators. There are approximately 200 business outlets included in the construction of the CPI, ranging from grocery, department and hardware stores to a variety of service establishments. This report provides average price changes for all items, groups, subgroups and special indexes from consecutive quarters to one year earlier. An annual average and annualized inflation rate are also reported. Indexes are subject to revision.

#### **HOW TO INTERPRET INDEX CHANGES**

A price change can be expressed as a percentage change between two periods, as a difference in index points between a given period and a base period assigned an index of 100.0. Thus, an index of 110.7 for a given period means the price level has increase by 10.7% from the base period of 100.0. It does not mean a 10.7% change from the immediately preceding period as shown in example 1:

#### Example I:

Period:	1st Qtr.	2nd Qtr.	3rd Qtr.
	(base period)		
Index:	100.0	108.4	110.7
	8.4% chan		
		10.7% change	

Any period, such as the 2nd Quarter in the next example, can be converted to a base period by dividing all indices individually by the periods' index, then multiplying the results by 100.

#### Example II:

Period:	1st Qtr.	2nd Qtr.	3rd Qtr.
	(base period)		
Index:	100.0	108.4	110.7
Period:		2nd Qtr.	3rd Qtr.
		(base period)	
Index:		100.0	102.1
		2% ch	ange

In example II, we dealt with a change in price index from a given quarter to the quarter immediately succeeding it -a 2.1% change from the second to the third quarter. However, many economic statistics, such as personal income, government revenues, and expenditure, are reported on an annual basis. The equivalent annual rate is used to determine what the index would be if a price change during a three-month period continues at the same rate for four quarters, a twelve-month period. The annual rate is often used to achieve uniformity in statistical expression.

Thus, a quarterly change of 1.0% is equivalent to an annual rate of 4.1%. If prices were to increase 1.0% each quarter for four quarters, the annual increase would be 4.1%. Derivation of this figure is shown in the Example III.

#### Example III:

$$P_n = P_o(1+i)^n$$
 where  $P_n = equivalent annual rate$   $P_o = base index (100.0)$   $i = current rate (1.0%)$   $n = number of periods (4)$  Thus,  $104.1 = 100.0 (1 + .01)^4$ 

However, the equivalent annual rate <u>should not</u> be interpreted as a projection or price forecast. It is only a standard form for showing price changes that have occurred. The CPI only reports what has happened, while annual projections must be based on factors which determine future price

Please see www.bsp.guam.gov, for historical CPI data, and other state data resources.

#### **GUAM CONSUMER PRICE INDEX**

1. Number of commodity items:

GROUP	*GROUP WEIGHTS	NO. OF ITEMS ALLOCATED	
Food	15.60	69	
Housing	32.11	42	
Apparel & Upkeep	7.61	23	
Transportation	8.60	4	
Medical Care	20.42	5	
Recreation	2.97	5	
Education & Communication	on 2.77	6	
Other Goods & Services	<u>9.92</u>	14	
	100.0	168	

<sup>\*</sup> Based on the 2005 Household Income and Expenditure Survey (HIES) results.

2. Base period: 4th Quarter 2007 = 100.0

#### 3. Formula:

The index is computed by using base-weighted arithmetic average of prices. The formula used is either in the weighted aggregated form,

$$I_{oi} = \frac{\sum p i q o}{\sum p o q o} x 100$$

or its equivalent, the weighted average of price relatives

$$\sum p \circ q \circ \left(\frac{P_i}{P_o}\right)$$

$$I_{oi} = ---- x 100$$

$$\sum p \circ q \circ$$

where pl = the price of the commodity in the reporting period.

po = the price of the commodity in the base period, and

qo = the quantity of commodity sold in the base period.

#### 4. Weights:

Based on the 2005 Household Income and Expenditure Survey (HIES)

### Guam Consumer Price Index (CPI) 4th Quarter 2021 Volume No. XLVII, No. 4

The Guam 2021 4th Quarter CPI of 141.3 shows a increase of 0.3 percent over the 3rd quarter of 2021, and 5.3 percent when compared to the same period one year earlier. The All Items Less Food Index shows no changes, Energy decreased by -0.3 percent, All Items Less Food and Energy (core) Index increased by 0.1 percent, Commodities Less Food decreased by -2.3 percent, and Services increased by 1.4 percent, as compared to the 3rd quarter of 2021. The purchasing power of the dollar remains at \$0.48.

The Food Group Index of 166.4 shows a increase of 1.5 percent over the preceding quarter and 10.5 percent when compared to the same period one year earlier. Beef product prices increased 3.9 percent over the preceding quarter and 26.0 percent when compared to the same period one year earlier. Pork product prices decreased -0.2 percent over the preceding quarter and increased 12.3 percent when compared to the same period one year earlier. Fish and Seafood product prices increased 9.1 percent over the preceding quarter and 29.0 percent when compared to the same period one year earlier. Fresh Vegetables product prices increased 5.3 percent over the preceding quarter and 10.9 percent when compared to the same period one year earlier. Meals away from Home prices increased 7.4 percent over the preceding quarter and 10.0 percent when compared to the same period one year earlier.

The Housing group index of 118.7 shows a decrease of -0.8 percent over the preceding quarter and a increase 5.5 percent when compared to the same period one year earlier. Rent and Lodging prices decreased -0.4 percent over the preceding quarter and increased 1.7 percent when compared to the same period one year earlier. Electricity shows no changes over the preceding quarter but increase 25.6 percent when compared to the same period one year earlier. Water, Sewer, and Trash prices decreased -1.6 percent over the preceding quarter and -2.2 percent when compared to the same period one year earlier. Home Fuel prices increased 0.3 percent over the preceding quarter and 9.0 percent when compared to the same period one year earlier.

The Transportation group index of 112.0 shows a decrease of -0.5 percent over the preceding quarter and a increase of 6.8 percent when compared to the same period one year earlier. New Car prices decreased -2.1 percent over the preceding quarter but increased 2.2 percent when compared to the same period one year earlier. Motor Fuel prices increased 2.5 percent over the preceding quarter and 32.9 percent when compared to the same period one year earlier.

The Medical Care group index of 199.4 shows a increase of 2.9 percent over the preceding quarter and 6.1 percent when compared to the same period one year earlier. The Recreation group index of 126.8 show a increase of 0.2 percent over the preceding quarter. The Education and Communication group index of 115.0 and The Apparel and Upkeep group index of 87.3 shows no changes over the preceding quarter. The Other Good and Services group index of 134.0 shows a decrease of -5.6 percent over the preceding quarter.

TABLE A CONSUMER PRICE INDEX

(1st Qtr. 2007 = 100.00)

GROUP	CY 2020 QUARTERS				CY 2021 QUARTERS			
	1st	2nd	3rd	4th	1st	2nd	3rd	4th
ALL ITEMS	133.5	134.9	132.9	134.2	135.8	137.8	140.9	141.3
FOOD	149.2	150.6	150.6	150.6	151.2	152.2	163.9	166.4
HOUSING	119.7	120.0	112.1	112.5	116.2	116.2	119.7	118.7
APPAREL & UPKEEP	84.4	87.0	86.5	86.5	86.4	86.3	87.3	87.3
TRANSPORTATION	103.9	100.7	98.1	104.9	103.6	112.2	112.6	112.0
MEDICAL CARE	179.3	181.2	185.2	188.0	189.4	193.7	193.7	199.4
RECREATION	125.6	127.5	127.5	127.5	122.7	124.5	126.6	126.8
<b>EDUCATION &amp; COMMUNICATION</b>	109.0	114.4	114.5	114.5	114.8	114.8	115.0	115.0
OTHER GOODS & SERVICES	132.1	137.4	137.4	137.4	140.2	142.0	141.9	134.0
SPECIAL INDEXES								
ALL ITEMS LESS FOOD	130.6	132.0	129.6	131.2	132.9	135.1	136.7	136.7
ENERGY 1	117.2	116.4	105.0	107.9	110.7	113.9	118.5	118.2
ALL ITEMS LESS FOOD AND ENERGY	136.0	138.2	139.5	140.5	141.8	143.6	143.9	144.1
COMMODITIES LESS FOOD	108.4	110.0	109.3	110.8	111.5	113.9	114.7	112.1
SERVICES	148.4	149.7	145.99	147.5	150.1	152.1	154.3	156.4
ALL ITEMS LESS HOSPITAL REL'D SVS	122.7	123.9	120.76	122.2	123.8	125.1	128.5	129.0
Purchase Power of Consumer								
Dollar (3rd Qtr. 1996 = 100.00)	.51	.50	.51	.51	.50	.49	.48	.48
Dollar (4th Qtr. 2007 = 100.00)	.75	.74	.75	.75	.74	.73	.71	.71

FOOTNOTE: "1" Index items selected by the Guam Energy Office

TABLE B CONSUMER PRICE INDEX

(1st Qtr. 2007 = 100.00)

	Relative	Index for	Index for	Index for	% Char 4th Qtr	. 2021
GROUP	Importance	4th Qtr. CY 2020	3rd Qtr. CY 2021	4th Qtr. CY 2021	froi Previous Quarter	m One Year Earlier
All Items	100.00	134.2	140.9	141.3	0.3%	5.3%
All Items Less Food	84.41	131.2	136.7	136.7	0.0%	4.2%
Energy <sup>1</sup>	24.09	107.9	118.5	118.2	-0.3%	9.5%
All Items Less Food and Energy	60.32	140.5	143.9	144.1	0.1%	2.6%
Commodities Less Food	37.54	110.8	114.7	112.1	-2.3%	1.2%
Services	46.86	147.5	154.3	156.4	1.4%	6.0%
All Items Less Hospital Rel'd Svs*	90.62	122.2	128.5	129.0	0.4%	5.6%

		Index	Index	Index	% Char	_
GROUP	Relative Importance	for 4th Qtr.	for 3rd Qtr.	for 4th Qtr.	4th Qtr. froi	
	importance	CY	CY	CY	Previous	One Year
		2020	2021	2021	Quarter	Earlier
Food	15.60	150.6	163.9	166.4	1.5%	10.5%
Cereals and Cereal Products	1.37	149.8	153.0	154.2	0.8%	2.9%
Bakery Products	0.47	146.8	158.2	164.8	4.2%	12.3%
Beef	1.57	160.9	195.1	202.7	3.9%	26.0%
Pork	1.10	130.8	147.2	146.9	-0.2%	12.3%
Other Meats	0.73	214.1	229.2	229.2	0.0%	7.1%
Poultry	2.20	157.5	177.0	169.3	-4.4%	7.5%
Fish and Seafood	1.19	134.6	159.1	173.6	9.1%	29.0%
Eggs	0.26	140.3	155.5	146.2	-6.0%	4.2%
Dairy Products	0.70	145.8	151.5	149.1	-1.6%	2.3%
Fresh Fruits	0.71	141.3	148.6	143.5	-3.4%	1.6%
Fresh Vegetables	1.01	129.6	136.5	143.7	5.3%	10.9%
Juice and Non-Alcoholic Drin	1.53	141.7	139.6	142.6	2.1%	0.6%
Sugar and Sweets	0.25	173.0	177.0	177.0	0.0%	2.3%
Fats and Oils	0.13	154.5	203.6	229.9	12.9%	48.8%
Other Foods	1.47	160.2	170.0	176.0	3.5%	9.9%
Meals Away from Home	0.66	146.8	150.4	161.5	7.4%	10.0%
Alcoholic Beverages	0.25	136.3	136.7	137.1	0.3%	0.6%

FOOTNOTE: "1" Index items selected by the Guam Energy Office

TABLE B (continued)

GROUP	Relative	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Char 4th Qtr. froi	2021
	Importance CY 2020		CY 2021	CY 2021	Previous Quarter	One Year Earlier
HOUSING	32.11	112.5	119.7	118.7	-0.8%	5.5%
Rent and Lodging	5.13	107.4	109.6	109.2	-0.4%	1.7%
Home Fuel	3.22	135.0	146.7	147.1	0.3%	9.0%
Electricity	8.09	84.7	106.4	106.4	0.0%	25.6%
Water, Sewer and Trash	3.37	160.9	159.9	157.3	-1.6%	-2.2%
Floor Coverings	0.17	96.0	96.0	96.9	0.9%	0.9%
Furniture and Bedding	0.75	58.1	59.1	56.8	-3.9%	-2.2%
Appliances	0.93	120.7	99.4	97.3	-2.1%	-19.4%
Tools, Hardware, Outdoor Equ	0.91	111.4	112.3	113.9	1.4%	2.2%
Housekeeping Supplies	7.95	112.6	116.2	114.7	-1.3%	1.9%
Housekeeping Operations	1.58	145.5	146.1	140.7	-3.7%	-3.3%

GROUP	Relative	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Char 4th Qtr. froi	2021
	Importance	CY 2020	CY 2021	CY 2021	Previous Quarter	One Year Earlier
APPAREL & UPKEEP	7.61	86.5	87.3	87.3	0.0%	0.9%
Men's Apparel	2.09	102.7	102.7	102.7	0.0%	0.0%
Boy's Apparel	0.54	90.2	90.2	90.2	0.0%	0.0%
Women's Apparel	2.03	95.7	95.8	95.8	0.0%	0.1%
Girl's Apparel	0.33	80.1	80.1	80.1	0.0%	0.0%
Footwear	1.37	38.1	37.9	37.9	0.0%	-0.5%
Infant's & Toddler's Apparel	0.38	102.5	105.8	105.8	0.0%	3.2%
Jewelry	0.87	95.6	100.9	100.9	0.0%	5.5%

TABLE B (continued)

GROUP	Relative	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Chan 4th Qtr. froi	2021
	Importance	CY 2020	CY 2021	CY 2021	Previous Quarter	One Year Earlier
		2020	2021	2021	quartor	Larnor
TRANSPORTATION	8.6	104.9	112.6	112.0	-0.5%	6.8%
New Cars	5.2	106.5	111.1	108.8	-2.1%	2.2%
Motor Fuel	1.4	98.4	127.6	130.8	2.5%	32.9%
Car Maintenance	1.0	116.7	116.7	120.0	2.8%	2.8%
Car Insurance	1.0	94.7	94.7	93.6	-1.2%	-1.2%

GROUP	Relative	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Chan 4th Qtr. froi	2021
	Importance	CY 2020	CY 2021	CY 2021	Previous Quarter	One Year Earlier
MEDICAL CARE	20.42	188.0	193.7	199.4	2.9%	6.1%
Prescription Drugs	0.67	160.1	160.1	171.8	7.3%	7.3%
Physician Services	2.07	194.9	203.9	205.0	0.5%	5.2%
Other Medical Practitioner Co	0.47	157.2	157.2	164.5	4.6%	4.6%
Hospital and Related Services	17.22	189.1	194.7	200.8	3.1%	6.2%

GROUP	Relative Importance	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Char 4th Qtr. froi	2021
	importance	CY	CY	CY	Previous	One Year
DESCRIPTION .	0.07	2020	2021	2021	Quarter	Earlier
RECREATION Audio and Video	2.97 2.63	127.5 124.7	126.6 124.2	126.8 124.2	0.2% 0.0%	-0.5% -0.4%
Pet and Pet Products	0.19	160.4	160.4	163.4	1.9%	1.9%
Sporting Goods	0.14	134.4	126.6	126.6	0.0%	-5.8%

TABLE B (continued)

GROUP	Relative	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Char 4th Qtr fro	. 2021
	Importance	CY 2020	CY 2021	CY 2021	Previous Quarter	One Year Earlier
EDUCATION & COMMUNICATION	2.77	114.5	115.0	115.0	0.0%	0.4%
Educational Books & Supplies	0.18	123.4	123.4	123.4	0.0%	0.0%
Tuition & Other School Fees	0.38	116.8	117.9	117.9	0.0%	0.9%
Telephone Services	1.48	110.0	111.0	111.0	0.0%	0.9%
Computers	0.34	86.7	89.5	89.5	0.0%	3.2%
Internet Services	0.39	145.8	145.8	145.8	0.0%	0.0%

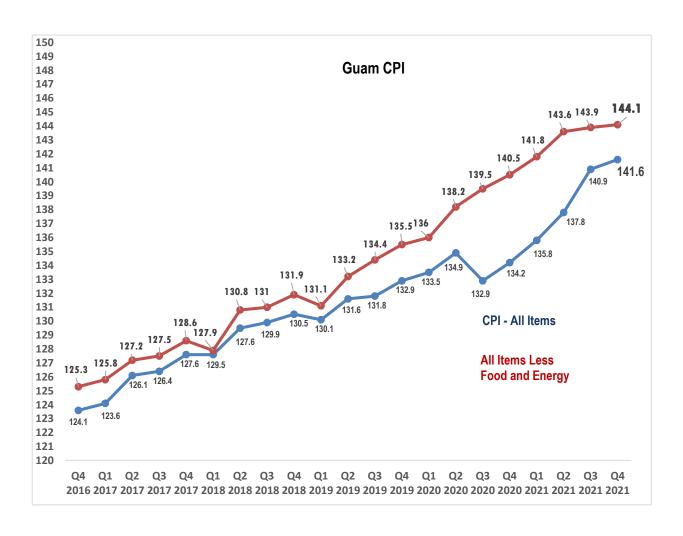
GROUP	Relative	Index for 4th Qtr.	Index for 3rd Qtr.	Index for 4th Qtr.	% Change to 4th Qtr. 2021 from	
	Importance	CY 2020	CY 2021	CY 2021	Previous Quarter	One Year Earlier
OTHER GOODS & SERVICES	9.92	137.4	141.9	134.0	-5.6%	-2.5%
Tobacco Products	1.04	246.5	252.0	252.0	0.0%	2.2%
Personal Care Products	5.36	116.7	123.4	107.3	-13.0%	-8.1%
Personal Care Services	0.66	133.6	139.3	137.6	-1.2%	3.0%
Miscellaneous Personal Services	0.16	176.7	176.7	193.5	9.5%	9.5%
Funeral Expenses	0.93	126.8	126.8	132.0	4.1%	4.1%
Financial Services	0.47	128.8	128.8	130.6	1.4%	1.4%
Other Special Occasions	1.31	142.9	143.1	143.4	0.2%	0.3%

TABLE C
CONSUMER PRICE INDEX (CPI)
(1st Qtr. 2007 = 100.00)

Rebased Indexes<sup>2</sup>, Average Annual Percent Change

Calendar Year	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Annual Average	Average Annual Percent Change
2004	74.7	76.0	77.1	78.6	76.6	6.1%
2005	79.3	80.9	81.5	88.1	82.5	7.7%
2006	88.8	91.3	92.4	95.5	92.0	11.6%
2007	97.2	98.1	97.6	100.0	98.2	6.8%
2008	101.1	104.1	106.0	106.1	104.3	6.2%
2009	105.6	105.4	106.9	106.5	106.1	1.7%
2010	107.8	108.9	109.4	110.6	109.2	2.9%
2011	109.8	112.9	113.3	115.0	112.8	3.3%
2012	116.0	116.4	116.6	116.3	116.3	3.2%
2013	116.8	117.0	115.5	115.8	116.3	0.0%
2014	116.4	117.1	117.2	117.9	117.2	0.8%
2015	116.0	116.5	116.4	115.4	116.1	-0.9%
2016	121.3	123.5	123.6	123.6	123.0	6.0%
2017	124.1	126.1	126.4	127.6	126.1	2.5%
2018	127.6	129.3	129.9	130.5	129.3	2.6%
2019	130.1	131.6	131.8	132.9	131.6	1.8%
2020	133.5	134.9	132.9	134.2	133.9	1.7%
2021	135.8	137.8	140.9	141.3	139.0	3.8%

FOOTNOTE: "2" See page (i) Example II, for the discussion on rebasing indexes.





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